

Habitat for Humanity Annexation Financial Impact Analysis
November 20, 2019
Prepared by Business Management Department

The proposed annexation consists of five parcels of land planned for a residential development consisting of multifamily units, including affordable townhome units. The actual size of the proposed development and its composition is shown below. This analysis is a statement showing how the proposed annexation will affect the Town’s finances and services, including revenue change estimates, based on the current development proposal.

Property Type	Total Square Feet
Residential	381,000 sq. ft

All of the revenue and cost estimates shown below are based on current dollars.

Projected Revenues

In order to estimate revenues certain assumptions need to be made concerning future property values and vehicles per residential unit. These estimates are made based on information currently available and therefore subject to change as conditions change over time. All estimates shown below are based on full build-out. Efforts have been made to err on the side of caution, that is, to be conservative in projecting these revenues.

Revenues are divided by how the Town will use them, differentiating between general governmental revenues and enterprise revenues (Transit & Stormwater). General governmental revenues are available to support the core services of the Town while enterprise revenues can only be used to support the operations of the functions for which they are collected.

Revenues	Residential Property Use
Governmental Revenues	
Property Taxes (General Fund & Debt Fund)	\$ 393,006
Vehicle Taxes & Fees	28,483
Total Governmental Revenue	421,490
Enterprise Revenues	
Transit Tax	48,720
Stormwater Utility Fees	17,361
Total Enterprise Revenue	66,081
Total Annual Revenues	\$ 487,571

Projected Costs

In order to estimate the cost of extending services to a future development certain assumptions need to be made concerning the factors that drive the cost of Town services. In some cases, such as Parks and Recreation and Library services, costs are highly correlated with the size of the population being

served and these costs can be estimated on a per-capita basis. For other functions a less direct method of projecting cost is used. For instance, Police protection services are based on estimated calls for service, which can be highly variable depending on a number of factors. While we have attempted to capture the cost of extending services, ultimately what the Town spends on providing services and what services levels are provided are decisions made by the Town Council.

The following estimates are for annual recurring costs of extending services. Enterprise fund costs are shown as an off-set to revenues. That is, it is assumed that due to the self-funding nature of Enterprise functions that the incremental cost of providing services to this development will be offset by enterprise revenue paid by the development. Actual costs will depend on future decisions regarding the method and level of service delivery.

Costs	Residential Property Use
Governmental Costs	
Public Works	\$ 25,170
Parks & Recreation	57,695
Library Services	30,477
Police Services	99,309
Fire Services	92,776
Planning/Inspections	6,032
General Government	46,823
Capital - Debt Service	43,221
Total Governmental Costs	401,504
Enterprise Costs	
Transit Tax	48,720
Stormwater Utility Fees	17,361
Total Enterprise Costs	66,081
Total Annual Costs	\$ 467,584

The following table shows the estimated net annual impact of the proposed development on Town finances. Because enterprise fund costs are offset by enterprise revenues the projected amounts shown below represent impact on the Town's General Fund.

Annual Financial Impact (Revenue/Costs)	\$ 19,986
--	------------------